



County of Los Angeles  
**CHIEF EXECUTIVE OFFICE**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

March 2, 2010

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

18 MARCH 2, 2010

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Set for Hearing: March 23, 2010

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

Dear Supervisors:

**APPROVAL OF A RESOLUTION OF INTENTION TO GRANT A 15-YEAR PUBLIC  
UTILITY WATER PIPELINE FRANCHISE TO LLANO DEL RIO WATER COMPANY  
(FIFTH DISTRICT) (3 VOTES)**

**SUBJECT**

Approval of these recommendations will renew an existing water pipeline franchise granted to Llano Del Rio Water Company, a public utility corporation that maintains and operates water pipelines providing water service in the Llano unincorporated area of the County.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve a Resolution of Intention to grant a 15-year public utility water pipeline franchise to Llano Del Rio Water Company, a California corporation (Llano), setting the matter for the public hearing on March 23, 2009, and instructing the Executive Officer of your Board to arrange for publishing of a notice of the public hearing pursuant to Section 6232 of the California Public Utilities Code.
2. Find that this project is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

**AFTER THE PUBLIC HEARING, IT IS RECOMMENDED THAT YOUR BOARD:**

Adopt the accompanying ordinance to grant a 15-year public utility water pipeline franchise to Llano, becoming operative on May 10, 2010, the date following the expiration of Llano's existing franchise rights.

*"To Enrich Lives Through Effective And Caring Service"*

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Intra-County Correspondence Sent Electronically Only**

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is for your Board to approve a Resolution of Intention, schedule a public hearing and publish a notice of the public hearing, as needed to adopt an ordinance to grant Llano a 15-year public utility water pipeline franchise to renew Llano's existing franchise rights.

### **Implementation of Strategic Plan Goals**

The County Strategic Plan directs that we maximize and support timely delivery of efficient public services (Goal 1), and provide access to delivery of customer-oriented municipal services (Goal 3). Your Board's approval of a Resolution of Intention and adoption of an ordinance to grant the Llano franchise is consistent with these goals.

### **FISCAL IMPACT/FINANCING**

Llano has paid the County a one-time granting fee of \$5,000 to process an ordinance to grant the franchise. In addition, Llano will pay an annual franchise fee of two percent of the gross annual receipts arising from the use, operation, or possession of the franchise, but not less than one percent of the gross annual receipts from the sale of water within the franchise area. Llano paid an annual franchise fee of \$972.56 for the 2008 calendar year.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On April 9, 1985, your Board adopted Ordinance No. 85-0053F, which granted a 25-year water pipeline franchise to Llano that became effective on May 10, 1985, and will expire on May 9, 2010. Llano is an investor-owned California public-utility corporation that was formed in 1956 to provide water service to the Crystallaire Country Club, Golf Course, and residential subdivision located in the Llano unincorporated area of the County.

The shares of the Llano corporation are owned by Blalock-Eddy Ranch (90% shareholder), a California corporation that also owns the local Crystallaire Airport, and owned by the Blalock-Eddy Trust (10% shareholder). Blalock-Eddy Ranch has operated Llano's water pipeline system installed in County highways in this residential subdivision for over 50 years under two previous County franchise agreements.

Llano pumps its water from two company-owned water wells in Big Rock Creek (located along the westerly side of its service area), to various storage facilities and pumping stations inside its water pipeline service grid. Llano currently delivers approximately 260 acre-feet of water annually that is used for potential fire suppression and potable drinking water by the 184 residential customers in the Crystallaire Country Club subdivision.

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Llano also delivers potable water to two local mutual water companies (Llano Mutual and Big Rock Mutual), and delivers non-potable surface water flows from Big Rock Creek for irrigation purposes at the 135-acre Crystallaire Golf Course and a water spreading field (located south of Llano's water service area) that helps replenish the water aquifer.

The Department of Public Works and County Fire Department have reviewed this recommendation and have no objections to the renewal of the Llano franchise. County Counsel has reviewed the Resolution of Intention and accompanying ordinance to grant Llano a water pipeline franchise and approved them as to form.

Pursuant to Section 6232 of the California Public Utilities Code, the Executive Officer of the Board shall arrange for publishing of a notice of the public hearing in a newspaper of general circulation in the County at least once within 15 days after your Board's adoption of the Resolution of Intention.

#### **ENVIRONMENTAL DOCUMENTATION**

This franchise renewal project is categorically exempt from CEQA pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines.

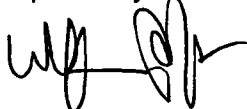
#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The recommended actions will not impact or adversely affect any current services or future projects.

#### **CONCLUSION**

Instruct the Executive Officer, Board of Supervisors, to send conformed copies of the adopted Board recommendation, the Resolution of Intention and the franchise Ordinance Attention: Mr. James Lombardi, President, Llano Del Rio Water Company, 32810 165th Street East, Llano, CA 93544, and the offices of County Counsel, Department of Public Works, Fire Department, and the Chief Executive Office, Real Estate Division.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:SK:WLD  
CM:RB:kb

c: Executive Office, Board of Supervisors  
County Counsel  
Department of Public Works  
Fire Department

# **SERVICE AREA MAPS**

## **Location Map and Service Area Map**

### **Llano Del Rio Water Company**

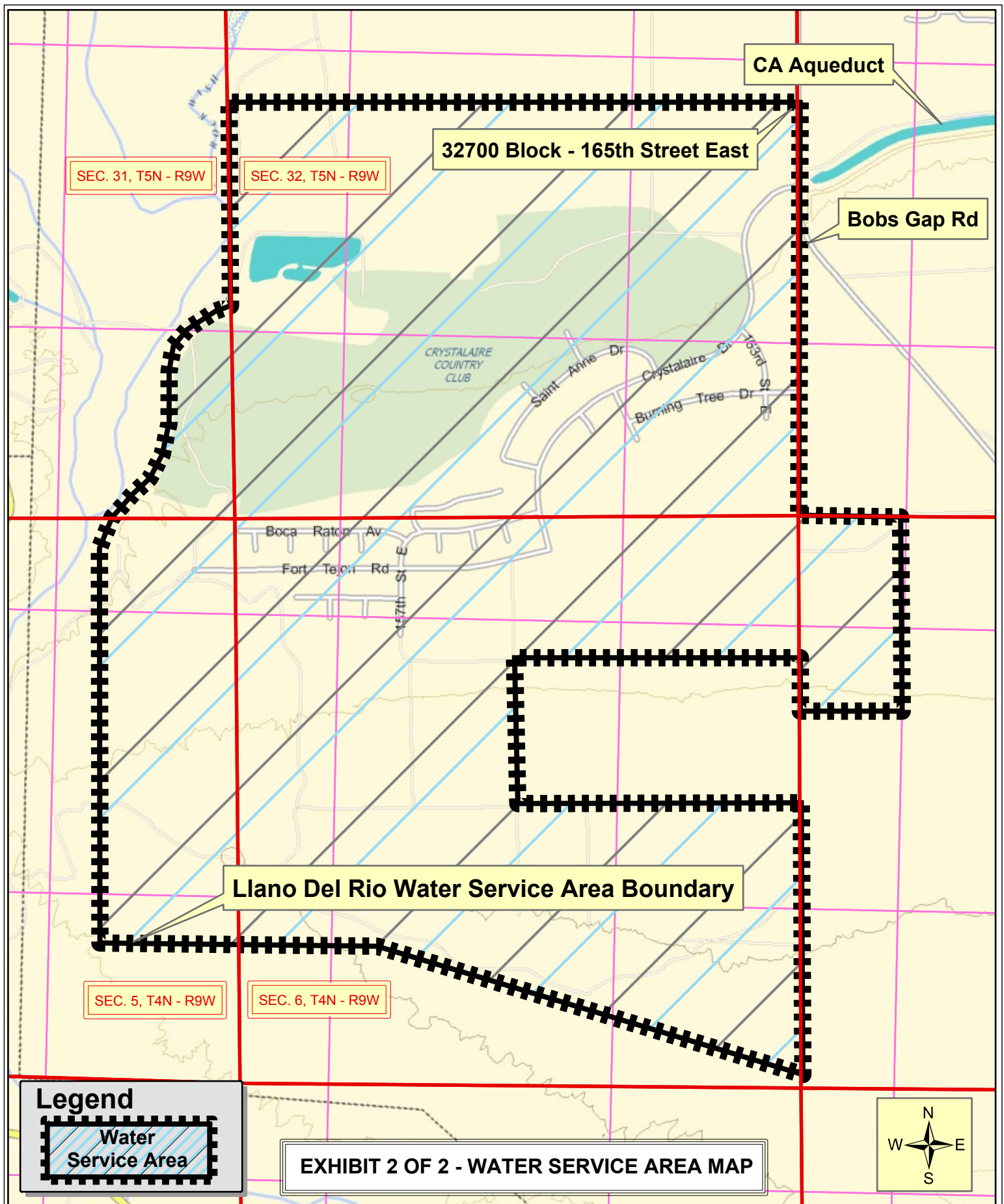
**These maps illustrate the unincorporated areas affected by the Llano franchise and are provided for the convenience of the reader.**

# SERVICE AREA LOCATION MAP LLANO DEL RIO WATER COMPANY CRYSTALAIRE COUNTRY CLUB AND GOLF COURSE



## EXHIBIT 1 OF 2 - SERVICE AREA LOCATION MAP

Date January 2010	<b>COUNTY OF LOS ANGELES - CHIEF EXECUTIVE OFFICE LLANO DEL RIO WATER COMPANY PUBLIC UTILITY WATER SERVICE - LLANO UNINCORPORATED AREA</b>	Renew 85-0053F Llano Del Rio Wtr. Co
Fifth Supervisory District		Agent R. Ball



# **RESOLUTION OF INTENTION**

**To Grant a**

**Public Utility Water Pipeline Franchise**

**To**

**Llano Del Rio Water Company**

**RESOLUTION OF INTENTION TO GRANT A 15-YEAR PUBLIC UTILITY  
WATER PIPELINE FRANCHISE TO LLANO DEL RIO WATER COMPANY**

BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles, State of California:

A. Llano Del Rio Water Company, a California corporation ("Franchisee"), has applied to the Board of Supervisors of the County of Los Angeles, State of California, for a franchise for a period of fifteen (15) years, beginning on May 10, 2010, the operative date of the franchise, to lay, construct, reconstruct, maintain, operate, renew, repair, change the size of, and remove or abandon in place, pipes and pipelines for the transportation and distribution of water, waste water, mud, and other liquid substances, including those substances that are generally accepted as appropriate for the treatment of water, excluding any hazardous substances or hazardous waste within the meaning of the "Comprehensive Environmental Response Compensation and Liability Act of 1980," 42 U.S.C. § 9601 et seq., and amendments thereto (provided, however, that this exclusion shall not apply to substances in such amounts as are generally accepted as appropriate for the treatment of water), together with all manholes, valves, cathodic protection systems, appurtenances, and connections necessary or appropriate for the operation of said pipes or pipelines, adjunct communications lines, including poles, conduits, wire, cables, and other appurtenances and equipment for telegraph or telephone lines, or both, necessary or appropriate solely for the Franchisee's operations in, under, along, or across any and all highways as defined in Section 16.36.080 of the Los Angeles County Code, now or hereafter dedicated to public use in the unincorporated territory of the County of Los Angeles, State of California, for the Franchisee's water service area in the Llano unincorporated area, as depicted on the exhibit map(s) attached to the proposed Ordinance to grant the franchise, attached hereto as Exhibit A, and any additional unincorporated territory of the County of Los Angeles, State of California, that may be added to the Franchisee's water service area during the term of the franchise.

B. It is the intention of the Board of Supervisors of the County of Los Angeles, State of California, to grant the franchise applied for upon the terms and conditions herein mentioned. The Franchisee, and its successors and assigns will, during the life of its franchise, pay annually to the County of Los Angeles, State of California, the amount specified in the proposed ordinance to grant the franchise, from the date of the granting of the franchise, and in the event such payment is not made, the franchise will be forfeited.

C. The franchise is described in the Ordinance attached hereto as Exhibit "A" and is a franchise for water transportation and distribution purposes.



D. That on the 23<sup>rd</sup> day of MARCH, 2010, at the hour of 9:30 a.m. of said day, a day not less than twenty (20) nor more than sixty (60) days after the date of the adoption of this Resolution of Intention, in the hearing room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street (corner of Temple Street and Grand Avenue), Los Angeles, CA 90012, all persons having any objection to the granting of the franchise hereinabove described may appear before the Board of Supervisors and be heard thereon.

E. The Executive Officer, Board of Supervisors, shall cause notice of said hearing to be published at least once within fifteen (15) days after adoption of this Resolution of Intention in a newspaper of general circulation published in the County of Los Angeles, State of California.

The foregoing resolution was on the 2<sup>ND</sup> day of MARCH, 2010, adopted by the Board of Supervisors of the County of Los Angeles, State of California, and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



SACHI HAMAI , Executive Officer-Clerk  
of the Board of Supervisors of the  
County of Los Angeles


By

  
Deputy

APPROVED AS TO FORM BY:

ANDREA SHERIDAN ORDIN  
County Counsel

By



Grace V. Chang  
Senior Deputy County Counsel